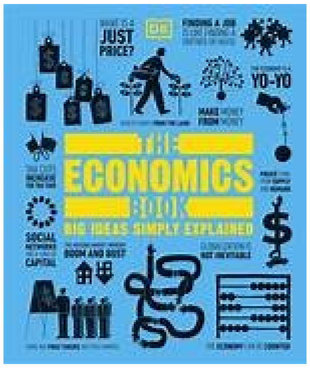
Ryan Padraig Kelly Economics

ECONOMICS

Economics

ECONOMICS

Economics
government
institutions
world
financial
understanding
practices
business
management
international
trade
decisions
decide
career
forces
finance
economy


JUST PRICE?
YO-YO
THE ECONOMICS BOOK
BIG IDEAS SIMPLY EXPLAINED

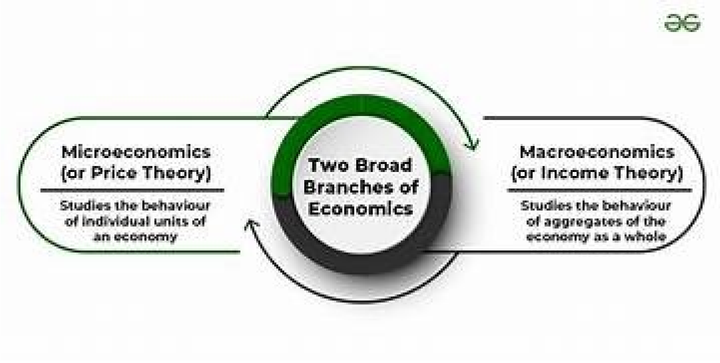
Economics
analysis
market
economy
economic
microeconomics
macroeconomics
theory
including
aggregates
markets

economics
utility
supply
trade
Smith
Adam
social
money
demand
ceteris
equilibrium
behavior
market
efficiency
rational
inflation
business
opportunity
life
management
paribus
allocation
resources
scarcity
optimization
human
choice
cost
science

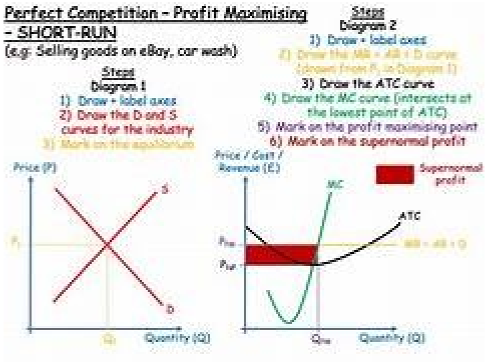
BUSINESS
DEPRESSION
ECONOMICS
GDP
INFLATION

FINANCES
VALORIZATION
GDP
CALCULATION
CURRENCY
ECONOMICS
DEAL
MONEY
WORLD
LEASING
CAPM
ECONOMY
ECONOMIC
PROFIT
CHECK
BUDGET
INFLATION
CLOSING
BARTER
BACKING
QUOTE
CURRENCY
ANALYST
ACCOUNT
SCIENCE
DVP
INDUSTRY
REVENUE
DEPOSIT
NETTING
SCIENCE

4 Common Phases of the
Economic Cycle
EXPANSION
Economic growth expectations rise
PEAK
Economy generates growth
RECOVERY
Stocks gain momentum
RECESSION
Stock prices are likely to fall
SECTORS TO WATCH:

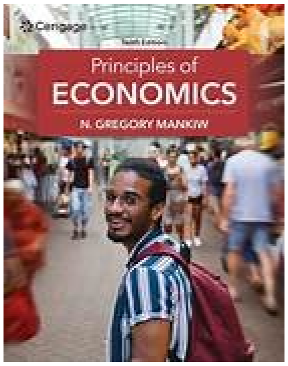

Microeconomics (or Price Theory)
Studies the behaviour of individual units of an economy
Two Broad Branches of Economics
Macroeconomics (or Income Theory)
Studies the behaviour of aggregates of the economy as a whole

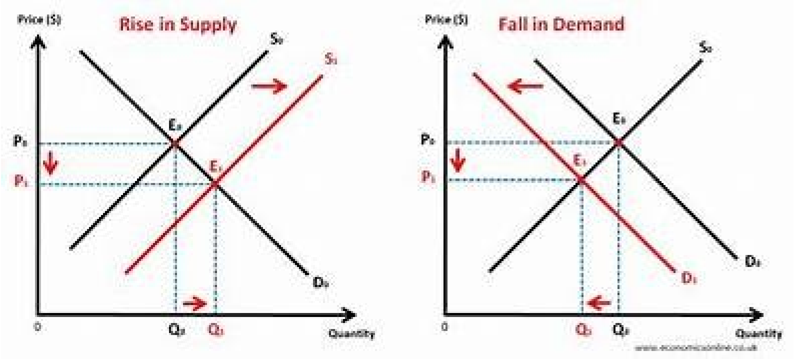
Statistics
Probability
investment
income
tax
Financial Economics
Accounting
Bills
Deduction
$$$$
TAX
Bills
Planning


Perfect Competition - Profit Maximising - SHORT-RUN
(e.g. Selling goods on eBay, car wash)
Steps
Diagram 1
1) Draw + label axes
2) Draw the D and S curves for the industry
3) Mark on the equilibrium
Steps
Diagram 2
1) Draw + label axes
3) Draw the ATC curve
4) Draw the MC curve (intersects at the lowest point of ATC)
5) Mark on the profit maximising point
6) Mark on the supernormal profit
Price (P)
S
D
Quantity (Q)
Price / Cost / Revenue (£)
MC
ATC
Supernormal profit
Quantity (Q)

ECONOMICS

BUILT-IN INFLATION



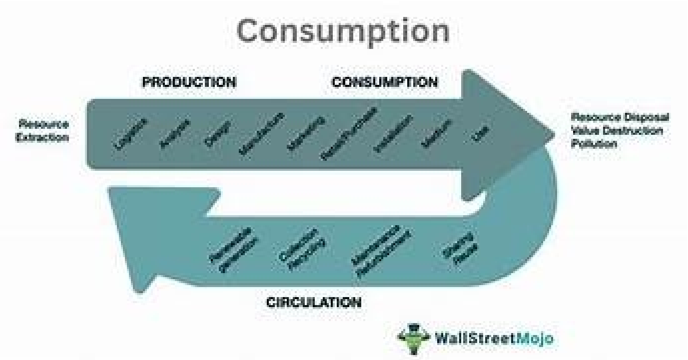


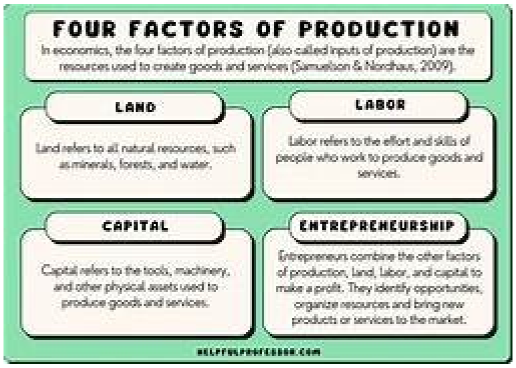
5.

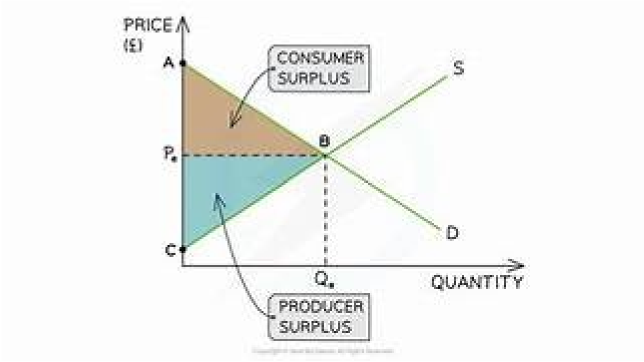
Basis	Microeconomics	Macroeconomics
Meaning	Microeconomics is that part of economic theory which studies the behaviour of individual units of an economy.	Macroeconomics is that part of economic theory which studies the behaviour of aggregates of the economy as a whole.
Tools	Demand and Supply.	Aggregate Demand and Aggregate Supply.
Basic Objective	It aims to determine price of a commodity or factors of production.	It aims to determine income and employment level of the economy.
Other Name	It is also known as 'Price Theory'.	It is also known as 'Income and Employment Theory'.
Examples	Individual income, individual output.	National income, National output.

(Any 2 points of difference + any 1 Example)

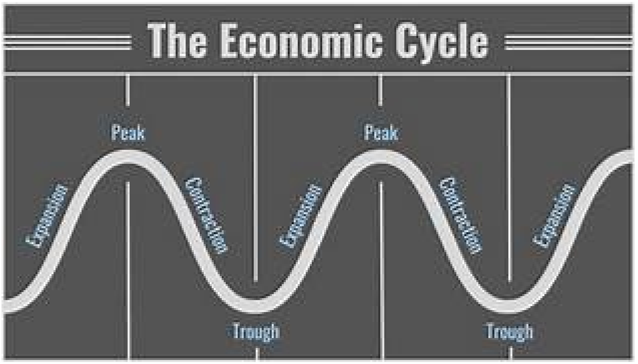
SCHOOLS OF THOUGHT IN ECONOMICS

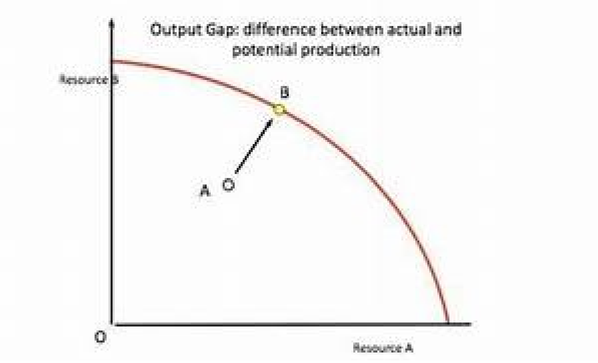

Consumption
PRODUCTION
CONSUMPTION
Resource Extraction
Logistics
Analysis
Design
Manufacture
Marketing
Retail/Purchase
Installation
Medium
Use
Resource Disposal
Value Destruction
Pollution
Renewable generation
Collection Recycling
Maintenance Refurbishment
Sharing Reuse
CIRCULATION
WallStreetMojo

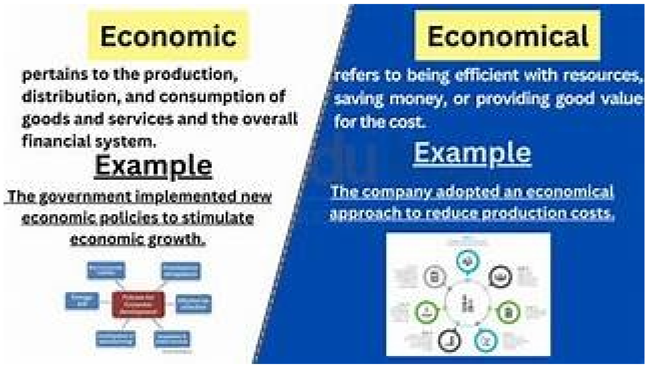

FOUR FACTORS OF PRODUCTION
In economics, the four factors of production (also called inputs of production) are the resources used to create goods and services (Samuelson & Nordhaus, 2009).
LAND
Land refers to all natural resources, such as minerals, forests, and water.
LABOR
Labor refers to the effort and skills of people who work to produce goods and services.
CAPITAL
Capital refers to the tools, machinery, and other physical assets used to produce goods and services.
ENTREPRENEURSHIP
Entrepreneurs combine the other factors of production, land, labor, and capital to make a profit. They identify opportunities, organize resources and bring new products or services to the market.
HELPFULPROFESSOR.COM


PRICE (£)
A
CONSUMER SURPLUS
S
B
Pe
D
C
Qe
QUANTITY
PRODUCER SURPLUS

Demand
consumers demand more at each and every price
increase in demand
fall in demand
consumers demand less at each and every price
increase in demand due to increase in price, all other factors remaining same
extension of demand
decrease in demand with the rise in price, all other factors remaining same
contraction of demand
Demand
shift in demand
Demand is the want or willingness of consumers to buy goods and services.
what is DEMAND
causes of shift in demand
demand CDMM - 17.02.2009


The Economic Cycle
Peak
Peak
Expansion
Contraction
Expansion
Contraction
Expansion
Trough
Trough


Output Gap: difference between actual and potential production
Resource B
B
A
O
Resource A


Economic
pertains to the production, distribution, and consumption of goods and services and the overall financial system.
Example
The government implemented new economic policies to stimulate economic growth.
Economical
refers to being efficient with resources, saving money, or providing good value for the cost.
Example
The company adopted an economical approach to reduce production costs.

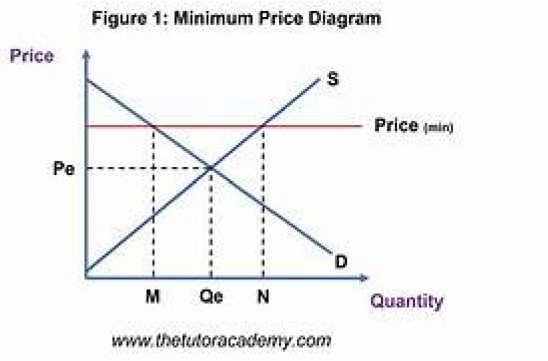
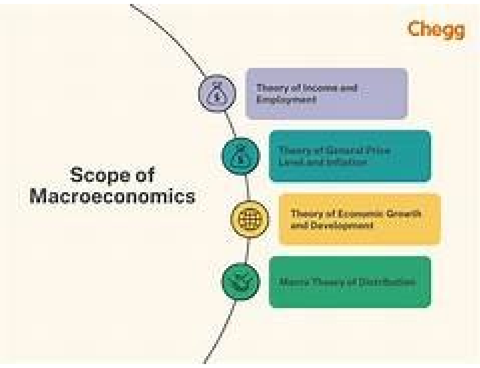
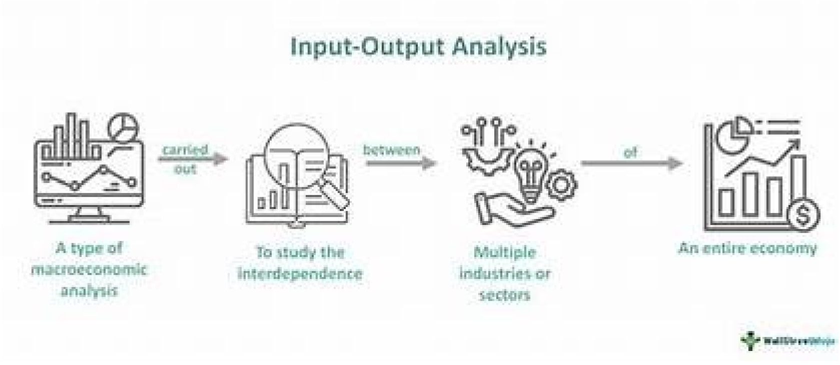
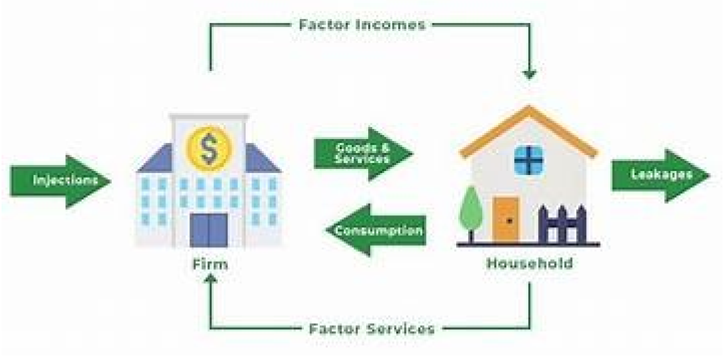


Figure 1: Minimum Price Diagram
Price
S
Price (min)
Pe
D
M
Qe
N
Quantity
www.thetutoracademy.com


Chegg
Scope of Macroeconomics
Theory of Income and Employment
Theory of Economic Growth and Development

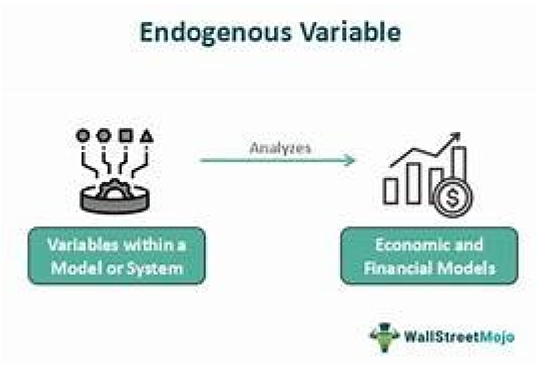


Input-Output Analysis
carried out
between
of
A type of macroeconomic analysis
To study the interdependence
Multiple industries or sectors
An entire economy
WallStreetMojo

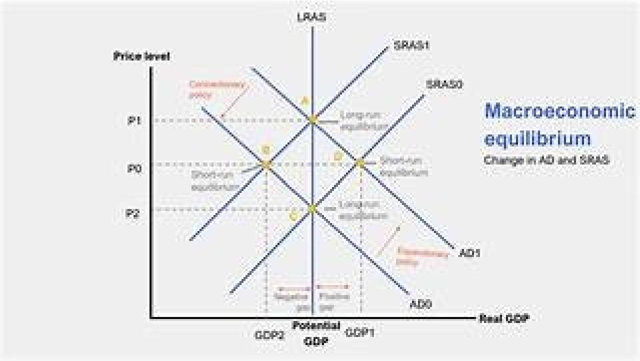


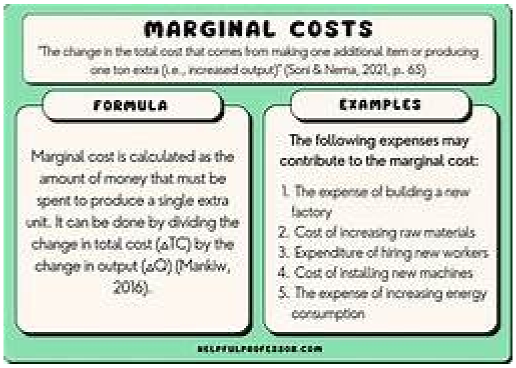
Factor Incomes
Injections
Goods & Services
Consumption
Leakages
Firm
Household
Factor Services

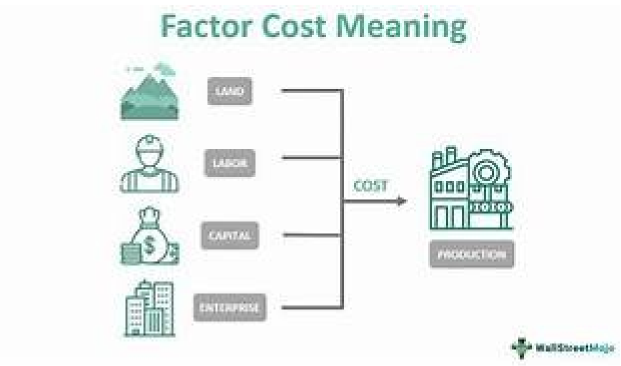
What Is Equity-Efficiency Tradeoff?
Happens when
Leads to
Equity-Efficiency Tradeoff
Maximization of economic efficiency
Reduction in equity or vice versa
Tradeoff between market efficiency and market equity
WallStreetMojo

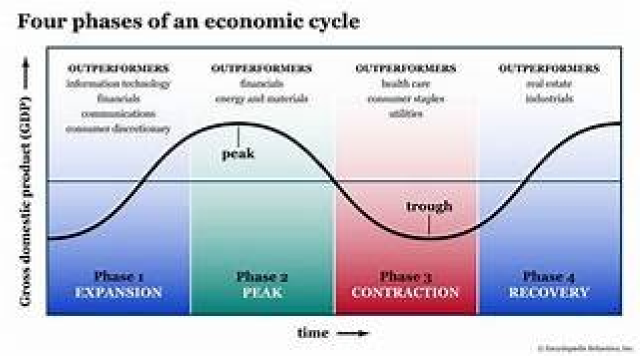


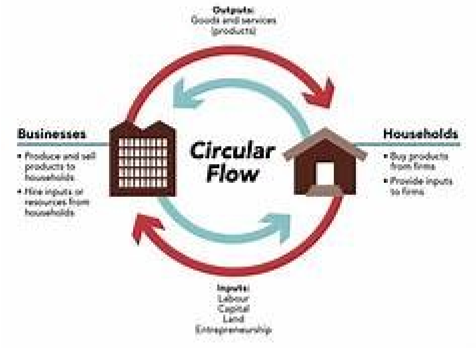
Endogenous Variable
Analyzes
Variables within a Model or System
Economic and Financial Models
WallStreetMojo

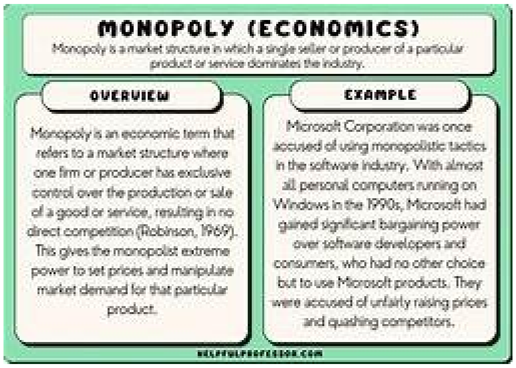

LRAS
SRAS1
SRAS0
Price level
Macroeconomic equilibrium
Change in AD and SRAS
P1
P0
P2
A
B
C
D
Long-run equilibrium
Short-run equilibrium
AD1
AD0
Real GDP
GDP2
Potential GDP
GDP1


MARGINAL COSTS
"The change in the total cost that comes from making one additional item or producing one ton extra (i.e., increased output)" (Soni & Nema, 2021, p. 65)
FORMULA
Marginal cost is calculated as the amount of money that must be spent to produce a single extra unit. It can be done by dividing the change in total cost (ΔTC) by the change in output (ΔQ) (Mankiw, 2016).
EXAMPLES
The following expenses may contribute to the marginal cost:
1. The expense of building a new factory
2. Cost of increasing raw materials
3. Expenditure of hiring new workers
4. Cost of installing new machines
5. The expense of increasing energy consumption
HELPFULPROFESSOR.COM


Factor Cost Meaning
LAND
LABOR
CAPITAL
ENTERPRISE
COST
PRODUCTION
WallStreetMojo


Four phases of an economic cycle
OUTPERFORMERS
information technology
financials
communications
consumer discretionary
OUTPERFORMERS
financials
energy and materials
OUTPERFORMERS
health care
consumer staples
utilities
OUTPERFORMERS
real estate
industrials
peak
trough
Gross domestic product (GDP)
Phase 1 EXPANSION
Phase 2 PEAK
Phase 3 CONTRACTION
Phase 4 RECOVERY
time


Outputs:
Goods and services (products)
Businesses
• Produce and sell products to households
• Hire inputs or resources from households
Circular Flow
Households
• Buy products from firms
• Provide inputs to firms
Inputs:
Labour
Capital
Land
Entrepreneurship


MONOPOLY (ECONOMICS)
Monopoly is a market structure in which a single seller or producer of a particular product or service dominates the industry.
OVERVIEW
Monopoly is an economic term that refers to a market structure where one firm or producer has exclusive control over the production or sale of a good or service, resulting in no direct competition (Robinson, 1969). This gives the monopolist extreme power to set prices and manipulate market demand for that particular product.
EXAMPLE
Microsoft Corporation was once accused of using monopolistic tactics in the software industry. With almost all personal computers running on Windows in the 1990s, Microsoft had gained significant bargaining power over software developers and consumers, who had no other choice but to use Microsoft products. They were accused of unfairly raising prices and quashing competitors.
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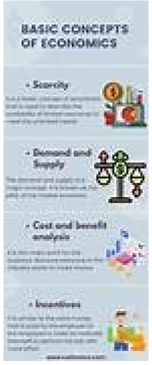
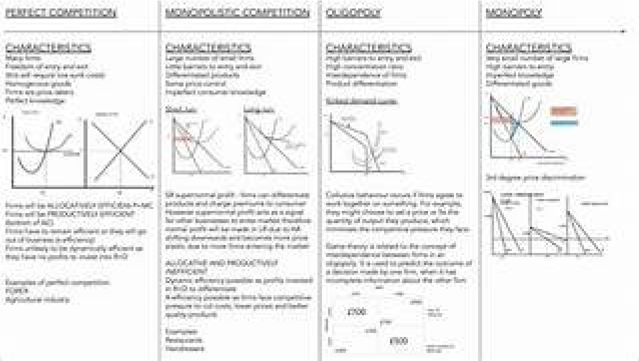
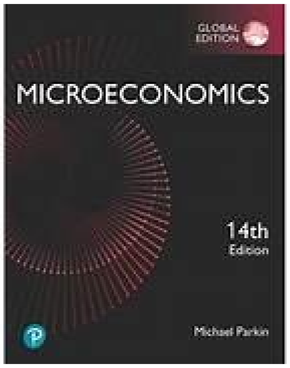
ECONOMICS

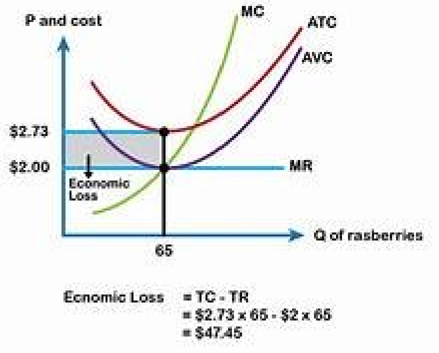
Money in
Economics

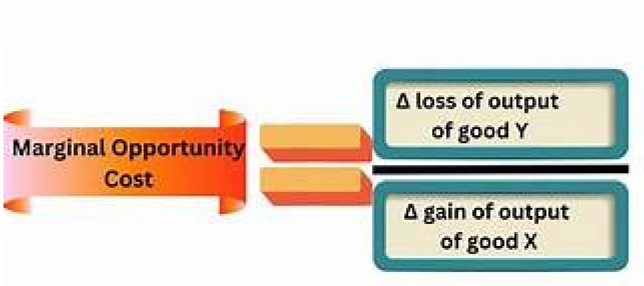

BASIC CONCEPTS
OF ECONOMICS
• Scarcity
• Demand and
Supply
• Cost and benefit
analysis
• Incentives

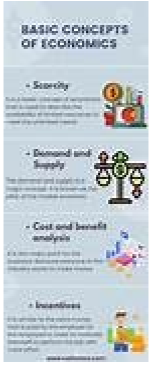
PRODUCTION ECONOMICS
1. Define the
Objectives and
Gather Data
2. Production
Function
Anaylsis
3. Cost Analysis
4. Economies of
Scale Analysis
5. Technology
Adoption
6. Production
Optimization
7. Decision-
Making &
Strategy
WallStreetMojo

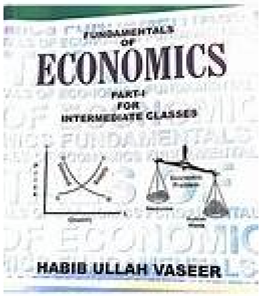

PERFECT COMPETITION
MONOPOLISTIC COMPETITION
OLIGOPOLY
MONOPOLY
CHARACTERISTICS
CHARACTERISTICS
CHARACTERISTICS
CHARACTERISTICS

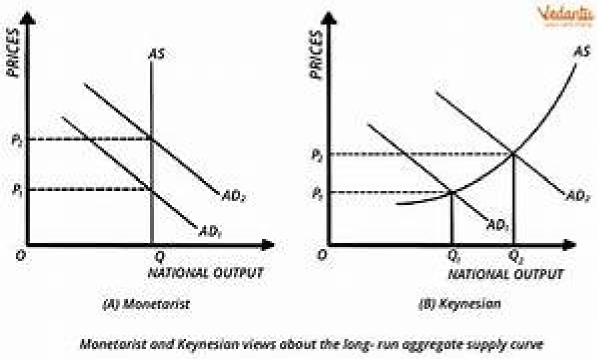

GLOBAL
EDITION
MICROECONOMICS
14th
Edition
Michael Parkin

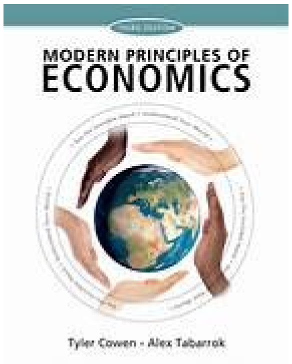

P and cost
MC
ATC
AVC
$2.73
$2.00
MR
Economic
Loss
Q of rasberries
65
Ecnomic Loss = TC - TR
= $2.73 x 65 - $2 x 65
= $47.45

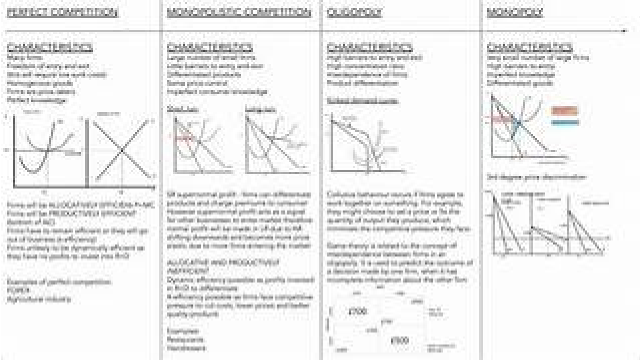

Marginal Opportunity
Cost
Δ loss of output
of good Y
Δ gain of output
of good X

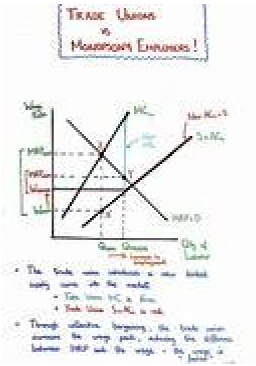

BASIC CONCEPTS OF ECONOMICS
• Scarcity
• Demand and Supply
• Cost and benefit analysis
• Incentives

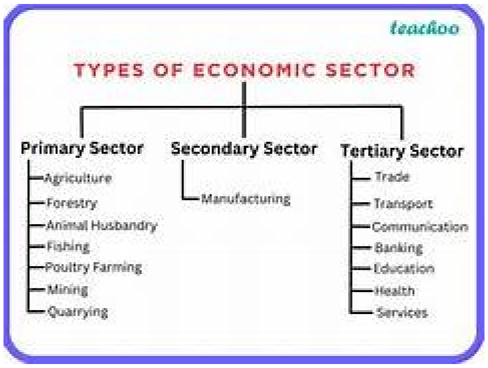

FUNDAMENTALS OF
ECONOMICS
PART-I FOR INTERMEDIATE CLASSES
HABIB ULLAH VASEER


Vedantu
PRICES
AS
P_2
P_1
AD_2
AD_1
O
Q
NATIONAL OUTPUT
(A) Monetarist
PRICES
AS
P_2
P_1
AD_2
AD_1
O
Q_1
Q_2
NATIONAL OUTPUT
(B) Keynesian
Monetarist and Keynesian views about the long- run aggregate supply curve


MODERN PRINCIPLES OF
ECONOMICS
Tyler Cowen - Alex Tabarrok


PERFECT COMPETITION
MONOPOLISTIC COMPETITION
OLIGOPOLY
MONOPOLY
CHARACTERISTICS
CHARACTERISTICS
CHARACTERISTICS
CHARACTERISTICS

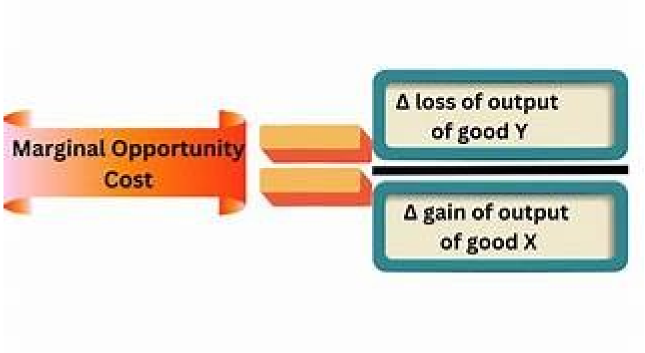

Trade Unions vs Monopsony Employers!

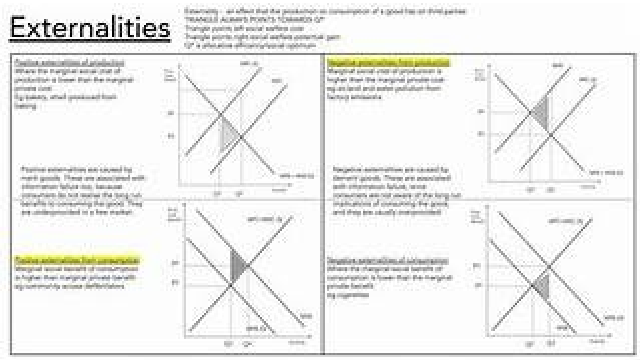

teachoo
TYPES OF ECONOMIC SECTOR
Primary Sector
Agriculture
Forestry
Animal Husbandry
Fishing
Poultry Farming
Mining
Quarrying
Secondary Sector
Manufacturing
Tertiary Sector
Trade
Transport
Communication
Banking
Education
Health
Services

Financial Economics
Study of the financial system
Study of economic resources allocation over time under conditions of uncertainty
Study the use and distribution of resources in the financial markets
WallStreetMojo

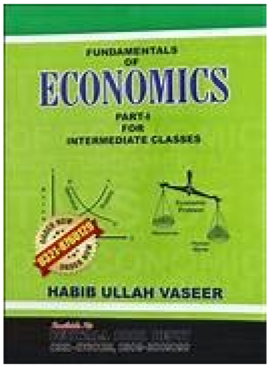
What are unit economics?

Economics
"Demand- Side" Theory
volatile
theory
Output
Great Depression
theories
1930s
Keynesian Economics
unstable
Inflation
macroeconomic
John Maynard Keynes
recessions
economic performance
spending


Marginal Opportunity Cost
Δ loss of output of good Y
Δ gain of output of good X


Externalities

SCOPE OF BUSINESS ECONOMICS
Profit Theory
Production Theory
Price Theory
Environmental Issues
Demand Theory
Capital and Investment Theory


FUNDAMENTALS OF
ECONOMICS
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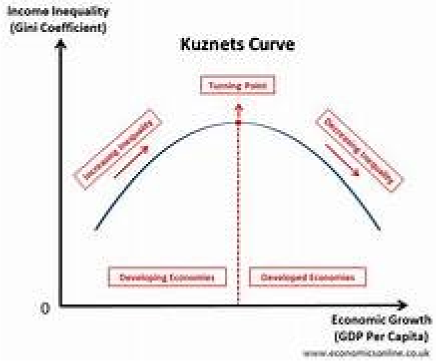
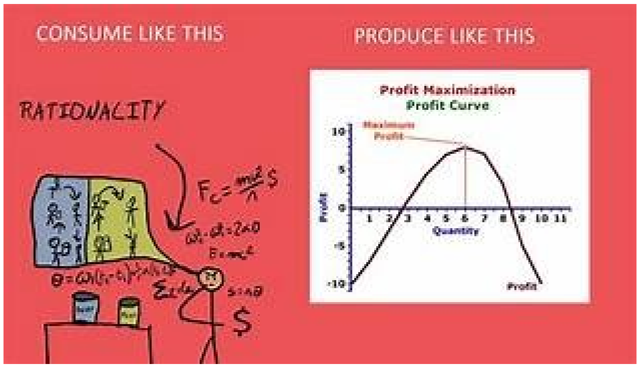
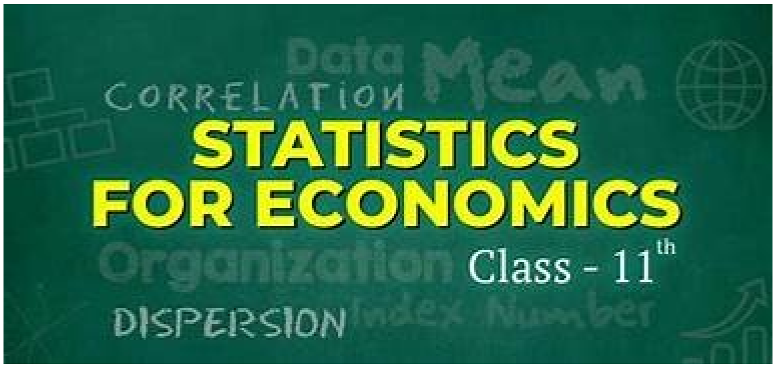
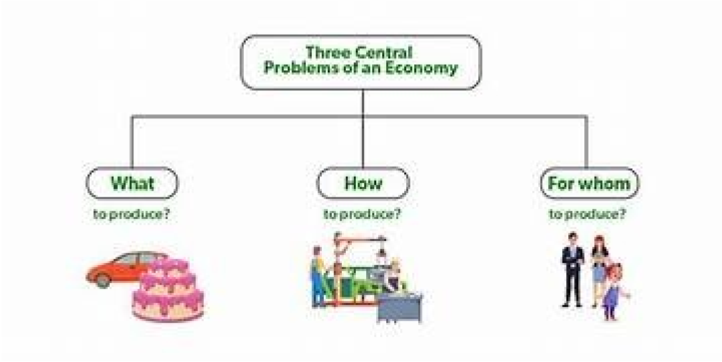
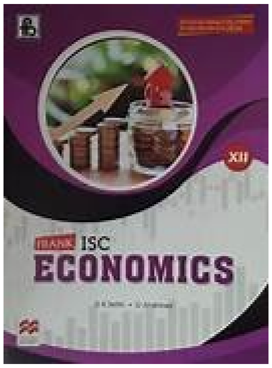

Income Inequality
(Gini Coefficient)
Kuznets Curve
Turning Point
Increasing Inequality
Decreasing Inequality
Developing Economies
Developed Economies
0
Economic Growth
(GDP Per Capita)
www.economicsonline.co.uk


CONSUME LIKE THIS
PRODUCE LIKE THIS
RATIONALITY
Profit Maximization
Profit Curve
Maximum Profit
Profit
Quantity

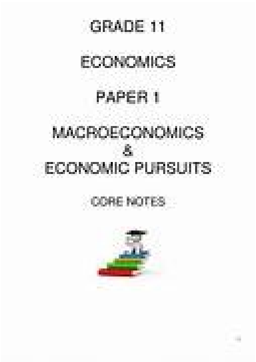

CORRELATION
Data
Mean
STATISTICS
FOR ECONOMICS
Organization
Class - 11th
DISPERSION
Index Number

Adda247
SSC
DIFFERENCE
BETWEEN
ECONOMY &
ECONOMICS


Three Central
Problems of an Economy
What
to produce?
How
to produce?
For whom
to produce?


XII
ISC
ECONOMICS

PRODUCTION ECONOMICS
1. Define the Objectives and Gather Data
2. Production Function Analysis
3. Cost Analysis
4. Economies of Scale Analysis
5. Technology Adoption
6. Production Optimization
7. Decision-Making & Strategy


GRADE 11
ECONOMICS
PAPER 1
MACROECONOMICS
&
ECONOMIC PURSUITS
CORE NOTES

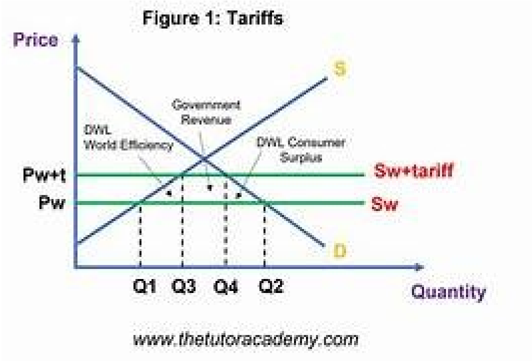
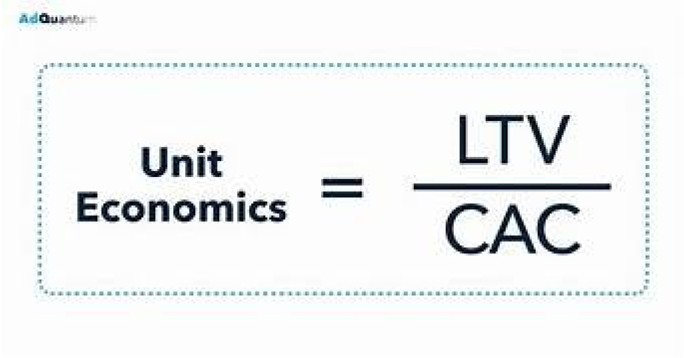
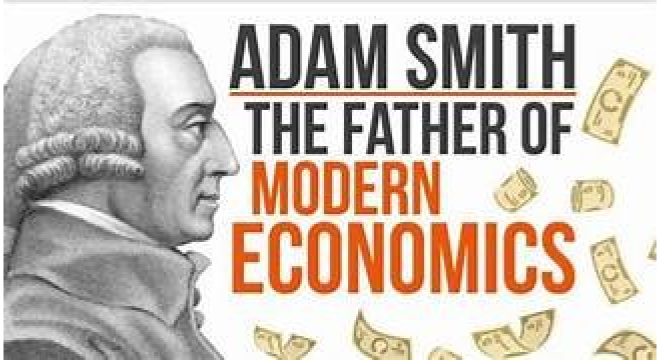


Figure 1: Tariffs
Price
S
Government
Revenue
DWL
World Efficiency
DWL Consumer
Surplus
Pw+t
Sw+tariff
Pw
Sw
D
Q1
Q3
Q4
Q2
Quantity
www.thetutoracademy.com

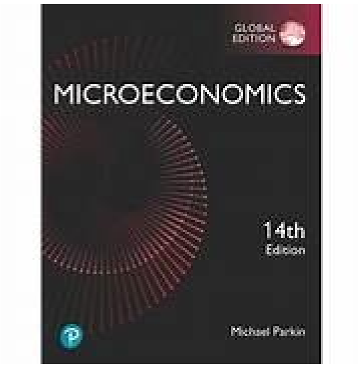

Unit
Economics
=
LTV
CAC

Market Economy
Advantages
Disadvantages
Low Cost of Production Helps Create Affordable Goods
Monopolies & Oligopolies Can Misuse their Powers
NEW
Continuous Competition Improve Products & Services
Increases Unequal Income Distribution in the Market
Increased Entrepreneurship Leads to Economic Growth
Risky Financial Decisions can Cause Economic Instability


ADAM SMITH
THE FATHER OF
MODERN
ECONOMICS

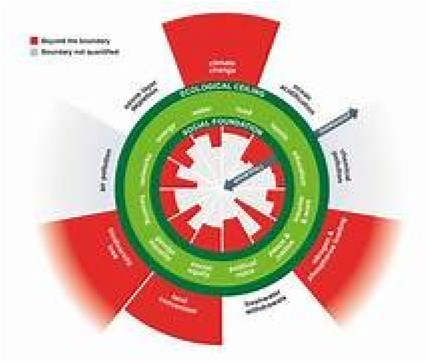
AXDRAFT
Key principles of contract economics
TRACKING OF CONTRACT MANAGEMENT ROI
CONTRACT COST CONTROL
TECH ADOPTION
CLOSE MONITORING OF CONTRACT RENEWALS

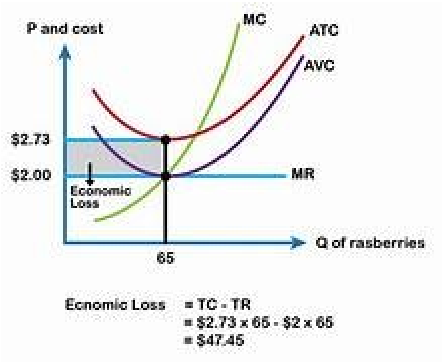
Scope Of Business Economics PPT
Demand Theory
Productive Theory
Capital and Investment Theory
Profit Theory
Price Theory
Environmental Issues

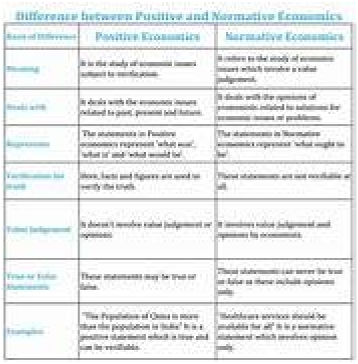

GLOBAL EDITION
MICROECONOMICS
14th Edition
Michael Parkin

ECONOMIC CAPITAL
DEFINITION
Economic capital is a term used to describe the amount of monetary or exchange value a person possesses. It is a form of capital distinct from natural, cultural, and social capital because it reflects tangible value that can be transferred in a financial transaction.
EXAMPLES
Money
Real estate
Personal property
Stocks and bonds
Art pieces
Cryptocurrencies
HELPFULPROFESSOR.COM

REGENERATIVE ECONOMICS
POSITION
PEOPLE
PLACE
PLANET
PROGRESS
PLURALITY
PEACE





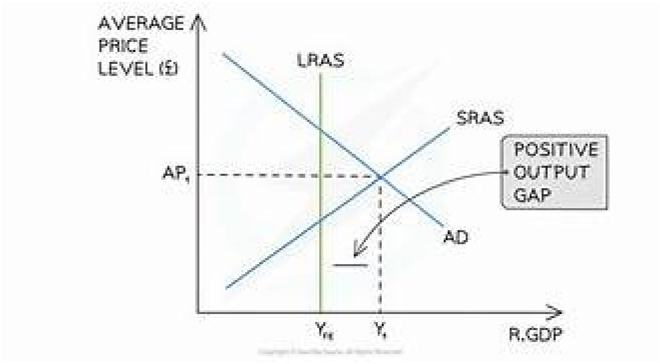

Difference between Positive and Normative Economics

Basis of Difference	Positive Economics	Normative Economics
Meaning	It is the study of economic issues subject to verification.	It refers to the study of economic issues which involve a value judgement.
Deals with	It deals with the economic issues related to past, present and future.	It deals with the opinions of economists related to solutions for economic issues or problems.
Expression	'The statements in Positive economics represent 'what was', 'what is' and 'what would be'.	The statements in Normative economics represent 'what ought to be'.
Verification for truth	Here, facts and figures are used to verify the truth.	These statements are not verifiable at all.
Value Judgement	It doesn't involve value judgement or opinions.	It involves value judgement and opinions by economists.
True or False Statements	These statements may be true or false.	These statements can never be true or false as these include opinions only.
Examples	"The Population of China is more than the population in India" It is a positive statement which is true and can be verifiable.	"Healthcare services should be available for all" It is a normative statement which involves opinion only.

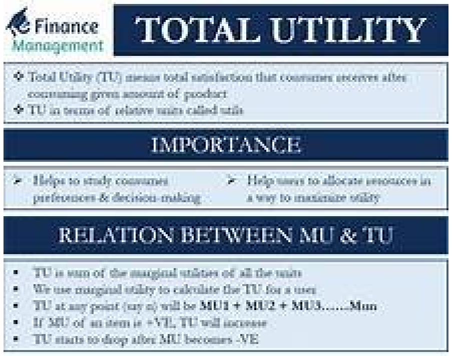
Basic Concepts in Economics

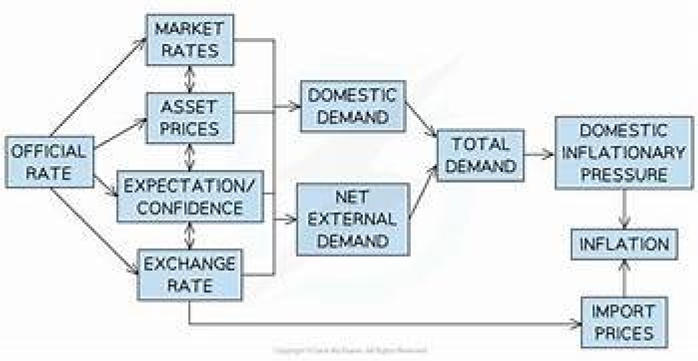
FUNDAMENTAL ECONOMIC CONCEPTS

MICROECONOMIC CONCEPTS



RazorpayX
Economies of Scale


Finance Management
TOTAL UTILITY
Total Utility (TU) means total satisfaction that consumer receives after consuming given amount of product
TU in terms of relative units called utils
IMPORTANCE
Helps to study consumer preferences & decision-making
Help users to allocate resources in a way to maximize utility
RELATION BETWEEN MU & TU
TU is sum of the marginal utilities of all the units
We use marginal utility to calculate the TU for a user
TU at any point (say n) will be MU1 + MU2 + MU3……Mun
If MU of an item is +VE, TU will increase
TU starts to drop after MU becomes -VE


OFFICIAL RATE
MARKET RATES
ASSET PRICES
EXPECTATION/ CONFIDENCE
EXCHANGE RATE
DOMESTIC DEMAND
NET EXTERNAL DEMAND
TOTAL DEMAND
DOMESTIC INFLATIONARY PRESSURE
INFLATION
IMPORT PRICES